

A G E N D A

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METRO

MEETING: METRO TECHNICAL ADVISORY COMMITTEE
DATE: June 17, 2009
DAY: Wednesday
TIME: **9:00 AM TO NOON***
PLACE: Room 370A&B

TIME	AGENDA ITEM	ACTION REQUESTED	PRESENTER(S)
9:00 a.m.	CALL TO ORDER AND INTRODUCTIONS		Stephan Lashbrook/ Robin McArthur
	Preliminary Residential Urban Growth Report and Housing Need Analysis <i>Objective: Clarify assumptions and obtain suggestions for refinements to the UGR</i>	Discussion	Malu Wilkinson
12:00	ADJOURN		

***PLEASE NOTE EARLIER MEETING TIME/LONGER MEETING LENGTH**

Next regularly scheduled meeting (MTAC meets the 1st & 3rd Wednesday of the month): July 1, 2009

For further information or to get on this mailing list, contact Paulette Copperstone @ paulette.copperstone@oregonmetro.gov or 503-797-1562

Metro's TDD Number – 503-797-1804

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Metro | *Agenda*

Meeting: MTAC - preliminary residential urban growth report
Date: June 17, 2009
Time: 9:00 – 12:00
Place: 370A and B

Desired outcome: MTAC understands the technical assumptions/methodologies used in the preliminary residential UGR and makes recommendations for technical changes to incorporate into the draft UGR to be released in September.

Agenda:

1. Purpose of meeting and decision schedule
2. Review sources of capacity
 - a. Vacant single-family and rural
 - b. Vacant mixed-use and vacant multi-family
 - c. Historic refill
 - d. Potential refill
 - e. New urban areas (post-1997 UGB expansions)
 - f. Urban renewal and investments
3. MetroScope and the UGR
 - a. How scenarios are used
 - b. Timeline for future scenarios
 - c. Any changes to model inputs?
 - i. Subsidies
 - ii. Infrastructure timing in UGB expansion areas
4. Discussion of MTAC comments received to date
 - a. Refill rates
 - b. Infrastructure costs
 - c. Climate refugees
 - d. Local and regional needs
 - e. Park land estimates
5. Additional MTAC comments/questions
6. Wrap up - summary of MTAC's agreed upon recommendations to MPAC



Date: June 11, 2009
To: MTAC
From: Malu Wilkinson
Re: Preliminary residential urban growth report (UGR): summary of technical comments received in writing as of June 11, 2009

In preparation for MTAC's June 17 discussion of the preliminary residential UGR, we have summarized the written comments received to date (listed below). In doing so, we have focused on those comments that are technical in nature. Written comments were received from the cities of Cornelius, Forest Grove, and Wilsonville, Tualatin Hills Parks and Recreation District and the Beaverton School District.

Refill rates:

- The potential 40% refill rate illustrated in the graph is higher than what is achievable with our financial resources
- The historic refill rate of 27% will not be as high in the future

Infrastructure costs:

- Infrastructure cost estimates generated through MetroScope scenarios are incorrect

Climate refugees:

- The demand range should explicitly include additional growth resulting from climate refugees moving to our region

Local and regional needs:

- There are local needs for residential land that are not reflected in the regional analysis
- There are local needs for school land that are not reflected in the regional analysis

Subsidy assumptions for Villebois:

- Subsidies should be available earlier (in 2010)
- Adjust timing to provide 33% of subsidized units in 2010, 33% in 2015, and 33% in 2020
- Number of subsidized units is too low—increase from 1,000 to 2,500

Park land estimates:

- The SDC methodology for estimating a parks deduction from the vacant land inventory is flawed. The deduction should be 1,650 acres, not 1,100 acres.

 **Metro** | *Memo*

Date: June 3, 2009
To: Metro Council
From: Malu Wilkinson, UGR Project Manager
Re: UGR/Capacity decision timeline and status report

Metro's preliminary residential and employment urban growth reports have been available for technical review for about two months. At this point in time I wanted to provide the Council with a description of the decision timeline and an update on the review process.

UGR/Capacity decision timeline

March/April 2009: Release preliminary residential and employment UGR for technical review
September 2009: *COO Recommendation:* Release DRAFT residential and employment UGR for public review (includes narrowed demand range based on risk analysis and effectiveness of investments)
December 2009: Metro Council accepts the UGR as the basis for developing actions to address any gap between capacity of the UGB under existing policies and 20-year population and employment needs: final technical assessment of "solid" and "dotted" capacity and 20-year demand range and narrowed demand range, direction on what it might take to close the gap
July 2010: Release draft analysis that identifies where within the demand range the region will plan for and the actions (efficiency measures and/or UGB expansions) to address any capacity gap for residential and employment demand
November 2010: Metro Council adopts "capacity ordinance" that describes committed local and regional actions to address at least 50% of any capacity gap (through efficiency measures and/or UGB expansions) for identified point in residential and employment demand and submits to LCDC
December 2011: Final state deadline to accommodate 20-year demand, if not met in 2010

Moving from the preliminary to the draft UGR

The draft UGR that is released for public review in September will differ from the preliminary UGR in the following ways:

- Incorporate technical and methodological changes recommended through the review process
- Include recently revised local zoning and investment strategies that increase zoned capacity (adding to the solid and the dotted tranches) and/or increase the utilization of existing zoned capacity (move dotted tranches to solid) recognized through the local aspirations efforts
- Identify local and regional actions that support the solid tranches
- Set the stage for 2010 by describing any gap between midline of demand range and top of solid tranches, as well as potential actions to be taken in 2010 to increase development potential of zoned capacity (shift dotted capacity to solid)

Status of review process

Staff is currently working with MTAC and the Employment Coordination and Advisory Committee to identify technical adjustments to methodology and assumptions in the residential and employment analyses. We have also been working directly with stakeholders from the business community to test some of the new approaches used in the employment analysis and to ground truth assumptions such as employees per square foot and the footprint of different building types in the market subareas.

Example of comments

- Beaverton School District does not agree with the methodological approach towards schools – they foresee land needs of their own and do not foresee future coordination between school districts with capacity.
- Tualatin Hills Parks and Recreation District has submitted a recommendation that more land be reserved for parks in the future than the current approach calls for.
- Members of CREEC have commented that the assumptions for employees per square foot by building type and market subarea appear reasonable, but some of the specific FARs are not currently supported by parking policies and market dynamics. They have expressed concern regarding the upper limit of 90% refill for non-industrial employment as not being likely over the 20 year period.

One of the goals of releasing a “preliminary” version of the urban growth report was to ensure sufficient time to review the methodology prior to making growth management decisions. Staff has scheduled two special MTAC work sessions to ensure time for a full discussion on technical elements: June 17th for residential, and June 24th for employment. MPAC will also have an opportunity to discuss MTAC’s recommended technical changes to the methodology. Staff will continue to update the Council as we move through this review process.

MPAC Employment Subcommittee

The preliminary employment analysis does not address unique format or land configuration needs of specific types of employment. Metro staff is currently working to develop a methodology to better understand the demand for such needs, but effective strategies to meet such demand in a way that supports the 2040 vision can be supported by a concerted regional effort. An MPAC subcommittee has been formed to identify approaches to meet these unique needs, including looking at options such as:

- Pursuing land assembly and brownfield redevelopment inside the current UGB;
- Targeting infrastructure investments to make land inside the UGB shovel-ready, and identifying approaches to protect the public’s investment;
- Bringing parcels into the UGB but protecting them for niche industrial uses; and
- Identifying employment urban reserves and creating a fast-track process to bring parcels into the UGB when needed.

Local and regional actions that “count”

The preliminary UGR analysis shows, for residential and employment, that the UGB has existing zoned capacity to accommodate the low and high end of the 20-year demand forecast. This conclusion would end Metro’s analysis and complete our responsibility under statewide Goal 14 and ORS 197.296 were it not for the application of “market feasibility” in our approach. Goal 14 requires Metro to take reasonable measures to use the zoned capacity prior to expanding the UGB.

The state statutes require that the measures Metro relies on to use existing zoned capacity more efficiently must “...demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without an expansion of the urban growth boundary.” The main focus of the Making the Greatest Place initiative is to ensure that local and regional actions work together to support and enhance vibrant places (centers, corridors, employment and industrial areas) and

implement the 2040 regional vision. An important component of that strategy is to increase the current and future utilization of existing zoned capacity in our region.

In making a case for increased market utilization of zoning, Metro must answer two main questions:

1. Will the proposed investments "...demonstrably increase the likelihood..." that more of our existing zoned capacity will be used?
2. What level of proof is sufficient that funding will be available to support investments?

Will investments increase capacity?

Metro can provide an analysis of recent experience (2002 to present) with measures, including investments, taken since we last conducted an urban growth report to demonstrate success in making more efficient use of residential land. Recent experience includes a rising refill rate, smaller single family lot size in Washington County, and other measures documented in the preliminary residential urban growth report. We can also rely on MetroScope analysis to show that investments in specific locations result in an increased utilization of zoned capacity.

Standard for proof of funding?

Local jurisdictions are required by Goals 11 and 12 to have plans in place for infrastructure and transportation to support their comprehensive plans – but the requirements do not include identification of funding sources. Metro can rely on city and county public facilities plans and transportation system plans, and the investments included in the Regional Transportation Plan submitted to the state, once they are adopted. We can also rely on other investments such as urban renewal and vertical housing tax credits as long as the level of investment expected in the future is consistent with recent history. The main question in 2010 is how much we can rely on *new levels* of investments and associated increases in capacity utilization to meet the 20-year demand.

Some examples of local and regional actions to focus on this year and next are described below. Actions adopted by the end of 2009 can be included in the final urban growth report, actions adopted in 2010 can be used in Metro's demonstration of "efficiency measures" as a component of the strategy to ensure sufficient capacity to meet the 20-year demand.

2009 examples

- High Capacity Transit Plan (increase capacity utilization – dotted to solid)
- CET extension (increase capacity utilization – dotted to solid)
- East Happy Valley: new zoning (increase capacity utilization – dotted to solid)
- Oregon City: SDC incentives in Regional Center (increase capacity utilization – dotted to solid)

2010 examples

- OHSU Amber Glen: new zoning (increase capacity – solid and dotted)
- State RTP (increase capacity utilization – dotted to solid)
- Portland Plan (increase capacity and capacity utilization)
- Refill rate: policy choice based on local and regional investments (increase capacity utilization – dotted to solid)

Metro staff will continue to work with cities and counties to identify areas where local and regional actions can be most effective together in supporting local aspirations while moving toward the 2040 regional vision. Documentation of the local and regional actions that support regional growth management decisions will be included as part of the capacity ordinance for Metro Council action in 2010.